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INFO RUEHXC/ALL US CONSULATES IN MEXICO COLLECTIVE PRIORITY

RUEATRS/DEPT OF TREASURY WASHINGTON DC

RUCPDOC/DEPT OF COMMERCE WASHINGTON DC

RHMFIU/DEPT OF HOMELAND SECURITY WASHINGTON DC

RHMFIU/DEPT OF JUSTICE WASHINGTON DC

RHMFIU/HQ USNORTHCOM

RHMFISS/CDR USSOUTHCOM MIAMI FL

RHEHAAA/NSC WASHINGTON DC

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SENSITIVE, SIPDIS

STATE FOR EB/TPP/MTA/IPE/KEAT/URBAN

STATE FOR WHA/MEX/WOLFSON

STATE PASS TO USTR FOR MELLE/MCCOY/SHIGETOMI/VETERE

STATE PASS TO JUSTICE FOR CCIPS/MERRIAM,KOUAME AND OPDAT/TRUEBELL
AND RAMOS

STATE PASS TO COMMERCE FOR ITA/MAC/ONAFTA/WORD

STATE PASS TO ITA/MAC/IPR/WILSON

COMMERCE PASS TO USPTO FOR RODRIGUEZ/BERDUT/MORALES

E.O. 12958: N/A

TAGS: KIPR ECON SNAR MX

SUBJECT: IPR TRAINING FOR MEXICAN CUSTOMS IN MONTERREY

Summary

¶1. (SBU) The Embassy, together with the ConGen Monterrey, the Departments of Justice and Homeland Security, held a three-day training seminar on criminal enforcement and detecting, detaining, and deterring the importation of pirated and counterfeit goods for Mexican customs and law enforcement officials in Monterrey from February 4-6. The seminar was financed by DOJ grant money from State/INL. The course focused on promoting interagency cooperation and providing the participants with the necessary tools to maximize the Mexican government's efforts to counter IP violations. The course was led by a renowned instructor from the World Customs Organization (WCO), who was joined by Mexican IP experts from the key agencies involved in IP protection and enforcement. As in previous training programs, the American Chamber of Commerce of Mexico coordinated a hands-on training with more than 40 famous brand right holders. The Mexican reaction to the course was very positive; however, the program organizers learned Mexican customs officials are not as well trained as previously thought, a disproportionate emphasis is placed on Mexican customs officials to collect revenue, and cooperation and trust is not apparent within the Mexican interagency, nor shared strongly with the private sector. Despite these challenges the Embassy plans to capitalize on the success of this event and hold additional IPR training as part of our cooperative efforts to strengthen IP protection and enforcement in Mexico. End summary.

Students and Instructors

¶2. (U) The February 4-6 seminar was attended by 56 Mexican customs officers from across Mexico, as well as 14 law enforcement officials from the Office of Attorney General of the Republic (PGR - or the Mexican Department of Justice), the Mexican Institute of Industrial Property (IMPI - counterpart to the U.S. Patent and Trademark Office), and the National Copyright Institute (INDAUTOR). This was the largest audience we have ever had for these programs. The senior level of the speakers from IMPI and PGR underscored the importance that the GOM placed on this training. The presence of the Senior IPR coordinator from Mexican Customs was also highly significant, as he is the key to developing IPR awareness, training, and best practices within the customs administration.

¶3. (U) DOJ funded the participation of Christophe Zimmermann, Chief

Technical Officer of the World Customs Organization's Anti-Counterfeit and Piracy Unit. Thanks to his vast experience in IPR issues, his excellent ability to communicate this knowledge, and his fluency in Spanish, Mr. Zimmermann ensured the success of this seminar. He was ably assisted by Marie-Flore Kouame of the Department of Justice's Computer Crime and Intellectual Property Section; John Zarate, National Program Manager of the National Intellectual Property Rights Coordination Center; DHS/ICE Assistant Attach Manny Larragoity from Embassy Mexico City; and DHS/ICE Assistant Attach Bobby Silva from CG Monterrey. (Note: DHS/CBP was invited to participate, but was unable to attend. End note.)

What We Did

¶4. (U) Day One of the seminar was dedicated to presentations on the importance of IPR and the tools available to increase criminal enforcement and combat IP violations. The DOJ speaker first outlined the importance of IP protection and enforcement. PGR, IMPI and INDIAUTOR officials led interactive sessions to explain their agencies' respective roles in IP protection and how they can assist customs officials in enforcing IPR at the border. Participants gained an appreciation for interagency cooperation, especially when representatives from DHS/ICE and the IPR Coordination Center gave specific case studies where such cooperation yielded significant seizures, investigations, and arrests.

¶5. (U) On Day 2, through the cooperation of the American Chamber of Commerce in Mexico, more than 40 clothing, pharmaceuticals, cell

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phones, movies and music, software, and electronic devices companies, set up 19 expo stands to build a stronger rapport and share intelligence with the various customs and law enforcement officials. Small groups of 3-4 participants rotated through all of the expo stands, spending about 20 minutes at each. This gave them time to learn directly from the right holders how to distinguish real goods from counterfeits as well as understand the various techniques that counterfeiters use to avoid detection. According to the participants, this interactive "hands-on" mechanism was most useful, since when customs officials are inspecting shipments, or when law enforcement agencies are investigating these cases, they usually do not have original products readily available with which to compare and build a case. This public-private sector interaction was also useful in that officials developed relationships with right holders and now have a point of contact to call when a suspicious shipment is discovered.

¶6. (U) The remainder of Day Two and all of Day Three were led by Mr. Zimmermann, Chief Technical Officer of the World Customs Organization's Anti-Counterfeit and Piracy Unit. He shared with the participants fresh insights and valuable techniques to increase criminal deterrence at the border, and drove them to reexamine their role in countering IP violations. He walked the customs and law enforcement officials through several sample manifests, airway bills, and bills of lading, pointing out various indicators that should render the shipment suspect. At the Monterrey Airport, he led the students through a tour of three air freight carriers' warehouses, pointing out types of packaging and labeling that they should deem suspicious. Utilizing these practical techniques *in situ*, the participants identified a suspect shipment, and when it was opened, actually discovered a delivery of counterfeit apparel with a street value in the thousands of dollars. Throughout the training, Mr. Zimmermann underscored the importance of interagency cooperation to gather evidence for use in building stronger criminal cases.

Achievements, Revelations, and Next Steps

¶7. (U) Feedback from the Mexican attendees was very positive, particularly with respect to the development of their skill sets in risk analysis, targeting, selecting, and interdicting suspect shipments. The heavy focus on interagency cooperation by Customs,

PGR, IMPI, INDAUTOR and DHS/ICE also received high marks, as did the right holder's participation in instructing how to identify infringing goods. Participants also appreciated the personal connections made among the various Mexican and U.S. agencies, which we hope will lead to increased coordination and cooperation in attacking cross-border flows of pirated and counterfeit products.

¶8. (SBU) One sour note - At the last minute, customs officials informed ECONOFF that the Mexican officials from other agencies were not permitted to tour through the warehouses at the airport. This impulsive obstruction by Mexican customs underscores the lack of transparency and distrust that must be overcome in order to fully maximize the Mexican government's efforts in combating IP violations. Two other revelations - It became apparent through the three-day training event that a disproportionate emphasis is placed on Mexican customs officials to collect revenue on shipments rather than prevent the illegal entry of goods. In addition, the airport exercise also revealed the lack of cooperation between Mexican customs and the various transporters. For example, an air freight carrier that discovered counterfeit goods then shipped the goods back to the exporter in China instead of alerting the local customs authority. To address these issues will require a more coordinated approach by ECON, DHS and other members of the Embassy community.

¶9. (SBU) A final revelation - Despite their enthusiasm for the program, many of the participating Mexican customs officials lacked fundamental skills that such officials should possess in order to assist with criminal enforcement, such as the basic understanding of shipping and transportation contract documents. The absence of these essential skills impedes their ability to detect suspicious activity that can then be referred to law enforcement officials for criminal investigation. This information is also critical to build strong criminal evidence. For this reason, future USG

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capacity-building IP events will target the development of essential customs skills that will be most useful to Mexican Customs officials in their daily tasks and that do not necessitate the use of advanced technology or software.

¶10. (U) The Mexican officials have asked for additional IPR training, and have expressed a strong desire for Mr. Zimmermann's continued participation. The Embassy plans to pursue these requests, and will continue to emphasize the development of essential customs techniques and practices, interagency cooperation, and collaboration with the private sector.

BASSETT